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Annual

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Report Highlights:

The Tunisian vegetable oil and protein meal markets are price sensitive and quality plays a small role in purchasing decision. In CY 2001, the U.S. market share of the protein meal imports (soybean meal) increased to 22.9 percent, while U.S. export of soybean oil captured 9.5 percent of the market compared to zero during the previous year.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Rabat [MO1], TS

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Executive Summary

Except for olives produced for oil, Tunisia does not have any significant production of oilseed crops. Tunisia does not possess significant crushing facilities for soybeans or other oilseed crops. All of its protein meal requirements for compound feed manufacturing are essentially provided through imports from the US and Argentina. The Tunisian vegetable oil market is price sensitive and quality plays a small role in GOT purchasing decisions.

It is worth noting that for the purpose of this report we refer to Calendar Year as a reporting period instead of the Marketing Year for all the oilseed products except for the olive oil. This is due to the lack of soybean and rapeseed domestic production in Tunisia and the availability of data sources on Calendar Year basis only.

Because of more competitive prices for soybean oil in CY 2001, imports of rapeseed oil were nil.

TOTAL OILSEEDS

Production

Tunisia has no significant production of oil bearing crops other than olives. Olive production in 2001/2002 is expected to reach 300,000 MT as compared to an average production of about 740,000 MT. This significant decrease (of about 60 percent) in olive production, compared to the average, was due to the crop cycle coupled with well below average rainfall during the flowering stage of olive trees in most olive producing regions of the country for the third consecutive year.

Tunisia continues to have a limited production of peanuts amounting to approximately 1,000 MT for edible use and negligible sesame seed production. Most of the consumption requirements of peanuts and sesame-seed are filled through imports. In addition, Tunisia produces small quantities of sunflower-seed for edible use, estimated at about 10,000 MT. Climatic conditions, including scarce water resources, have been limiting factors for expanding sunflower for oil production in Tunisia.

Consumption

Tunisia consumes small quantities of sunflower-seed and peanuts. Sunflower-seed consumption is about 10,000 MT annually, while Tunisia's annual consumption of peanuts has remained stable during the last few years and is about 4,500 MT (shelled basis). Sesame-seed consumption is estimated at about 9,000 MT, mostly for confectionary use.

Trade

In CY 2001, it is estimated that about 9,700 MT of sesame-seeds were imported.

Policy

GOT agricultural policy, as set forth in the IXth Development Plan (1997-2001), continues to encourage domestic production and exports as well as minimizing imports to save foreign exchange outlays. The GOT oilseed policy continues to be oriented toward the protection of domestic production of olive oil, which currently satisfies about 25 percent of the local demand for oil. Further, cheaper vegetable oils such as soybean oil are imported to free olive oil for export markets.

Biotechnology

Tunisia does not yet have legislation that controls the use of biotech ingredients in food and feed products. However, awareness has been building up amongst concerned GOT officials, and FAS/Tunis has been working with the GOT and with scientists since early 1998 to try to avert potential legislation that may impede trade. So far, imports of vegetable oils, soybean meal and corn have not been subject to any GMO related problems, either when entering Tunisia or during their processing and marketing.

Product Labeling

In 1998, Tunisia adopted the Codex Alimentarius standards for labeling food and feed products sold domestically, and implementation of this decision has been initiated.

TOTAL OIL MEALS

Production

All soybean meal used in Tunisia is imported and used in compound feed manufacturing. There are about 280 feedmills (150 commercial size and 130 on-farm units) manufacturing animal feed following a set of government approved feed formulas. In CY 2001, total compound feed production was about 1,450,000 MT (of which about 52 percent for the poultry industry and 45 percent for ruminants) and is forecast at 1,600,000 MT for 2002. Total feedmill annual production capacity is about 2.9 million MT, of which only 50 percent is actually utilized.

Consumption

Imported soybean pellets are the major source of protein used in Tunisia's animal feed compound. It is estimated that 75 percent of imported soybean meal is used in broiler and egg production, while the rest is used in the livestock sector. The increase in Tunisia's soybean meal consumption is attributed to an exceptionally higher demand for compound feed for poultry (broilers, layers and turkey production) and dairy cattle.

Trade

Tunisian soybean meal imports increased in CY 2001, due to higher demand for feed by the poultry industry operators, a few new dairy companies utilizing state-of-art production techniques and some progressive dairy farmers who started following more efficient feeding practices and a nascent feedlot industry. Most of the Tunisian trade prefers Argentinian soybean meal exports, which are mostly pelletized, because of a lack of adequate storage for soybean meal. In CY 2001, imports of U.S. meal increased, largely due to the fact that several very progressive feed companies have started importing some Hi Pro soymeal from the U.S.. These companies, all of them engaged in the poultry industry, have realized the economic benefits of Hi Pro in their operations. It is worth noting that most of the U.S. soymeal is imported in combined shipments with corn. Soybean meal and pellets imports are subject to 17 percent duty and 6 percent VAT.

TOTAL OILS

Production

Olive oil is the only edible oil produced in Tunisia on a commercial scale. (See TOTAL OILSEEDS, Production section). For the 2001/2002 crop, olive oil extraction and refining is handled by about 400 plants operating throughout the olive production regions in Tunisia.

In CY 2001, rapeseed oil production was estimated at about 1,000 MT at a pilot crushing facility associated with the French farming project initiated in 1991 with French assistance, this facility is expected to be phased out in the near future due to high production costs of this crop.

Consumption

In MY 2001 (November 2000 - October 2001), domestic olive oil consumption remained stable while the combined consumption of soybean oil and rapeseed oil increased about 6 percent compared to their previous year's level.

In CY 2001, Tunisian palm oil consumption increased sharply to 15,300 MT. This represents an increase of about 41 percent over the previous year's level of about 9,000 MT. It is projected that palm oil consumption will increase by 2 to 3 percent in CY 2002 on account of the expansion of the margarine industry that health awareness (margarine contains less cholesterol than butter) has triggered.

Almost all of Tunisian vegetable oil imports are refined and bottled locally. Vegetable oils are sold mainly in bottles but there are some quantities sold bulk, especially in rural areas. The consumer price of pure vegetable oil is around USD 0.49 per liter while that of olive oil is now about 4.6 times the price of vegetable oil. Tunisian per capita consumption of vegetable oil was estimated at about 17 liters per year in 2001.

Trade

Tunisian olive oil exports represent a main source of foreign exchange. Total olive oil exports in MY 2001 (November 2000 - October 2001), most of it to European Union (EU) countries, declined as a result of competition from substantially higher available supply of olive oil for export in other olive oil producing countries of the world, such as Spain and Italy.

Most of Tunisia's requirements for edible oil are met from imports of vegetable oil (refined locally) or from its own production of olive oil pressed domestically.

Tunisian imports of soybean oil are largely from the EU, Argentina and Brazil. However, an estimated 60 percent of EU soybean oil is processed from U.S. beans.

Total palm oil imports (primarily from Malaysia), essentially for the growing margarine industry, amounted to about 15,300 MT in CY 2001.

Policy

Despite aggressive promotion initiatives undertaken by some private Tunisian operators (using the theme "olive oil is cholesterol free; Tunisian olive oil is better for your health"), Tunisian exports of olive oil declined in MY 2001, because of continuing fierce competition by Italian exporters, and substantially lower demand for imports of olive oil by some EU countries that traditionally import Tunisian olive oil (for further processing, blending, packaging and re-exporting to their long time customer countries). Further, in MY 2002, Tunisian olive oil exports are expected to decrease sharply as a result of the low domestic production in 2001. Therefore Tunisia will not be able to full meet the requirements of its agreement with the EU that allows an annual volume of 50,000 MT of olive oil to enter the EU at a zero rate of duty.

Domestically, consumer average retail prices for olive oil remained at the level of TD 3 (about USD 2.10) per liter reached in the 1999 fall during the peak demand for export.

Though vegetable oil imports into the Tunisian market have been liberalized, private operators must comply with government tender specifications. These specifications include the provision that private edible oil operators must have available at least 10,000 MT of storage capacity before they can conclude any vegetable oil import contracts. The level of customs tariffs imposed on vegetable oil depends mainly on the degree of refining. Crude soybean oil imports are subject to 15 percent duty and zero percent VAT while crude rapeseed oil imports are subject to 15 percent duty and 18 percent VAT. The EU-Tunisia Agreement specifies that an overall annual preferential tariff quota of 100,000 MT of vegetable oils (including soybean oil, rapeseed oil, ground nut oil, protein oil, etc.) will have a tariff rate reduced from 15 percent (in 2001) to zero percent in five equal steps between January 1, 2001 and January 1, 2005. The current tariff rate (in 2002) is 9 percent. This situation would likely help U.S. trade as it would lead to more imports of EU soybean oil from U.S. beans, therefore substituting for Argentina and Brazil imports.

Marketing

U.S. soybean oil prices are generally less competitive than EU soybean oil prices, despite the fact that a considerable amount of EU oil is processed from U.S. beans. This is because European importers of U.S. soybean can benefit from the lower shipping costs for U.S. products. This has a dampening effect on soybean oil imports from the U.S., since the Tunisian vegetable oil market is price sensitive and quality plays a very small role in GOT purchasing decisions. ASA's current market promotion program, a multi-year program focused on developing the market for higher quality oils, will hopefully help to address this situation and increase consumption of soybean oil in Tunisia.

STATISTICAL SECTION

PSD Soybean Meal

PSD Table						
Country:	Tunisia					
Commodity:	Soybean Meal					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Crush	0	0	0	0	0	0
Extr. Rate	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	35	25	40	40	45	44
Production	0	0	0	0	0	0
MY Imports	240	264	272	271	0	285
MY Imp. from U.S.	50	53	60	62	0	70
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	275	289	312	311	45	329
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consum.	234	249	267	267	0	280
Feed Waste Dom. Consum.	0	0	0	0	0	0
Total Dom. Consumption	234	249	267	267	0	280
Ending Stocks	41	40	45	44	0	49
TOTAL DISTRIBUTION	275	289	312	311	0	329
Calendar Year Imports	240	264	272	271	0	285
Calendar Yr Imp. U.S.	50	53	60	62	0	70
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix Soybean Meal

Import Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Soybean Meal		
Time period:	MY		
Imports for	2000		2001
U.S.	53	U.S.	62
Others		Others	
Argentina	180	Argentina	209
E.U.	11		
Total for Others	191		209
Others not listed	20		0
Grand Total	264		271

PSD Soybean Oil

PSD Table						
Country:	Tunisia					
Commodity:	Soybean Oil					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Crush	0	0	0	0	0	0
Extr. Rate	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	24	24	16	16	15	26
Production	0	0	0	0	0	0
MY Imports	143	127	140	168	0	160
MY Imp. from U.S.	25	0	10	16	0	20
MY Imp. from the EC	80	95	100	71	0	80
TOTAL SUPPLY	167	151	156	184	15	186
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	135	135	141	158	0	155
Feed Waste Dom. Consum.	0	0	0	0	0	0
Total Dom. Consumption	135	135	141	158	0	155
Ending Stocks	32	16	15	26	0	31
TOTAL DISTRIBUTION	167	151	156	184	0	186
Calendar Year Imports	143	127	140	168	0	160
Calendar Yr Imp. U.S.	25	0	10	16	0	20
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix Soybean Oil

Import Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Oil, Soybean		
Time Period:	MY		
Imports for	2000		2001
U.S.	0	U.S.	16
Other		Other	
Spain	52	Spain	50
Argentina	21	Brazil	32
Netherlands	18	Argentina	20
Belgium	15	Germany	15
Germany	10	UK	3
		Belgium	3
		Canada	3
Total of Others	116	Total of Others	126
Others not listed	11	Others not listed	26
Grand Total	127	Grand Total	168

PSD Rapeseed Oil

PSD Table						
Country:	Tunisia					
Commodity:	Rapeseed Oil					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Crush	0	0	0	0	0	0
Extr. Rate	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	8	8	10	10	8	0
Production	1	1	1	1	0	1
MY Imports	18	24	12	0	0	12
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	5	21	23	0	0	13
TOTAL SUPPLY	27	33	23	11	8	13
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	16	23	17	11	0	10
Feed Waste Dom. Consum.	0	0	0	0	0	0
Total Dom. Consumption	16	23	17	11	0	10
Ending Stocks	11	10	6	0	0	3
TOTAL DISTRIBUTION	27	33	23	11	0	13
Calendar Year Imports	18	24	12	0	0	13
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix Rapeseed Oil

Import Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Rapeseed Oil		
Time period:	MY		
Imports for	2000		2001
U.S.		U.S.	0
Others		Others	
France	12		
Germany	6		
Netherlands	3		
Sweden	3		
Total for Others	24		0
Others not listed			
Grand Total	24		0

PSD Olive Oil

PSD Table						
Country:	Tunisia					
Commodity:	Oil, Olive					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		11/2000		11/2001		11/2002
Area Planted	1340	1340	1340	1340	1340	1340
Area Harvested	1200	1200	1200	1200	1200	1200
Trees	55230	55230	55230	55230	55230	55230
Beginning Stocks	144	144	96	96	91	41
Production	150	120	170	90	0	60
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	294	264	266	186	91	101
MY Exports	130	118	125	95	0	40
MY Exp. to the EC	115	104	100	82	0	35
Industrial Dom. Consum.	0	0	0	0	0	0
Food Use Dom. Consump.	60	50	50	50	0	50
Feed Seed Waste Dm.Cn.	0	0	0	0	0	0
Total Dom. Consumption	60	50	50	50	0	50
Ending Stocks	104	96	91	41	0	11
TOTAL DISTRIBUTION	294	264	266	186	0	101
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	130	118	125	95	0	40
Calndr Yr Exp. to U.S.	9	6	7	5	0	5

Export Trade Matrix Olive Oil

Export Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Oil, Olive		
Time period:	MY		
Exports for	2000		2001
U.S.	6	U.S.	5
Others		Others	
Italy	91	Italy	76
Spain	13	Spain	6
Total for Others	104		82
Others not listed	8		8
Grand Total	118		95